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JERRY MORAN
FIRST DISTRICT
KANSAS

EX PARTE OR LATE FILED

1519 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-1801
(202) 225-2715

E-MAIL: JERRY.MORAN@MAIL.HOUSE.GOV.

COMMITTEE ON
AGRICULTURE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE

COMMITTEE ON
VETERANS' AFFAIRS

CHAIRMAN
SUBCOMMITTEE ON HEALTH

Congress of the United States
House of Representatives

Washington, DC

November 27, 2001

DISTRICT OFFICES:
1200 MAIN STREET
SUITE 402
P.O. BOX 249
HAYS, KS 67601-0249
(785) 628-6401

ONE NORTH MAIN
SUITE 525
P.O. BOX 1128
HUTCHINSON, KS 67504-1128
(620) 665-6138

Mr. Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street SW
Washington, D.C. 20554

Dear Chairman Powell:

Enclosed is a letter from Mr. Wayne Godsey. Mr. Godsey is concerned about efforts to raise the national broadcast ownership cap.

It is important to local communities to retain the current ownership cap. Our communities depend on these television stations for local news and programs of local interest. I have enclosed a copy of Mr. Godsey's letter for your review. Please respond directly to him regarding these caps.

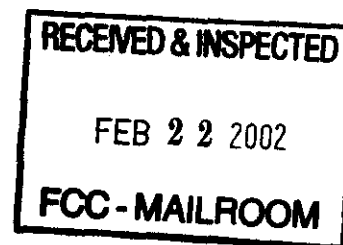
Thank you for your attention to this matter.

Very truly yours,

Jerry Moran

Jerry Moran

JM:jm
enclosure



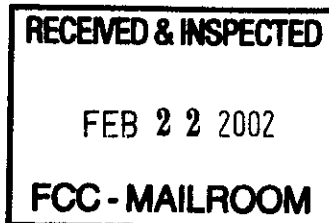
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August 14, 2001

The Honorable Jerry Moran
United States House of Representatives
Longworth House Office Building 1510
Washington, DC 20510



C. Wayne Godsey
President & General Manager
816/760-9290
Fax 816/760-9393
wgodsey@hearst.com

AUG 21 2001

Dear Representative Moran :

On July 29, 2001, Senate and Congressional leaders from both sides of the aisle sent a letter to FCC Chairman Michael Powell opposing efforts to raise the national broadcast ownership cap. A further increase in the cap would shift even more power to the broadcast networks and away from local affiliates like KMBC, and we oppose such a move.

Increasingly, local stations are under pressure to carry most, if not all, the programming produced or supplied by the broadcast networks. This means less opportunity for local news and for other programs of interest to individual communities. It is also contrary to the goals of localism and diversity that were the basis for the Communications Act. Ultimately, of course, it is simply bad for the citizens we are pledged to serve.

I am enclosing a copy of the July 29 letter, along with my letter to Senator Lott, thanking him for his support on this issue. I am requesting that you, in turn, send a similar letter to Chairman Powell.

Just five years ago, at the request of the four networks, Congress raised the national television broadcast ownership cap to 35%. At about the same time, the networks were allowed to acquire production studios. As a result, the networks now produce virtually all of their own television network programming. Now they want to buy up the nation's local television stations.

Please don't allow them to do it. Support the retention of the current ownership cap, and in doing so, support the efforts of stations like KMBC to provide the local news and public affairs programming that our community deserves.

Sincerely,

C. Wayne Godsey
President and General Manager

Enclosures



August 14, 2001

The Honorable Trent Lott
United States Senate
Senate Russell Building 487
Washington, DC 20510

RECEIVED & INSPECTED

FEB 22 2002

FCC - MAILROOM

C. Wayne Godsey
President & General Manager

816/760-9290
Fax 816/760-9393
wgodsey@hearsst.com

Dear Senator Lott:

I want to personally thank you for signing the July 29, 2001 letter to FCC Chairman Michael Powell, expressing opposition to efforts to increase the national broadcast ownership cap. The result of such a change in the rules would effectively place in the hands of the four national networks the ability to dictate the content of broadcast programming each hour of every day in each local market throughout the country...hardly a circumstance which would promote the diversity and localism that was envisioned in the Communications Act.

Stations like KMBC place great emphasis on local news and service to the local community. But our desire to produce local news and programming and to cover events of local interest is often in conflict with the network's goal of 100% clearance of the programs it produces or provides. Increasing the ownership cap would only serve to increase the influence of the networks to the detriment of localism.

Thank you again for your position on this issue.

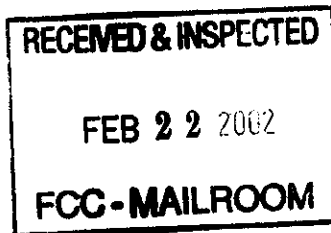
Very sincerely,

C. Wayne Godsey
President and General Manager

Congress of the United States
Washington, DC 20515

June 29, 2001

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554



Dear Chairman Powell:

We oppose any effort to increase the national broadcast ownership cap. Two of the hallmark principles of the Communications Act are localism and diversity, and our uniquely American form of broadcasting, with its combination of national networks and local, independently-owned and -operated broadcast outlets, reflects these core principles. We are committed to making sure that as the media industry evolves and consolidates, the voice of local broadcasters is not stifled or silenced. The national ownership cap at its current level serves a critical role in preserving localism.

We believe that the 35 percent cap should remain where Congress established it in the law, and we write to urge the Commission not to increase the cap and to vigorously defend this provision as it comes under fire before the Commission and in the courts. We believe that the voice of the local station will become ever more meaningful to our communities, especially for that segment of the population that does not subscribe to pay television, as the broadcast television industry transitions to digital technology and its ability to serve local communities is enhanced. It is for this reason that we oppose any increase in the current 35 percent national television ownership cap that Congress adopted, after lengthy debate on the floor of both the House and Senate, as part of the Telecommunications Act of 1996.

Challenges brought by the broadcast television networks against the national television ownership cap lack merit and we believe the Commission has an obligation to vigorously defend the cap against such challenges. In our view, the D.C. Circuit's recent holdings in litigation surrounding cable ownership caps simply establish that (1) Congress acted constitutionally when it set limits on ownership of media properties in order to preserve competition and promote diversity in ideas and speech; and (2) the FCC did not adequately justify the particular numerical limitation it set on cable networks in its rule. The D.C. Circuit did not find that the Commission could not promulgate limitations with regard to media ownership. In writing the Telecommunications Act of 1996, Congress itself set the national television ownership cap and incorporated it in the statute for the same reasons the court found to be important governmental interests in the recent litigation addressing the cable ownership cap: to promote diversity in ideas and speech and preserve competition.

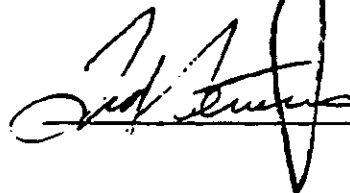
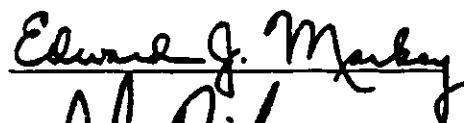
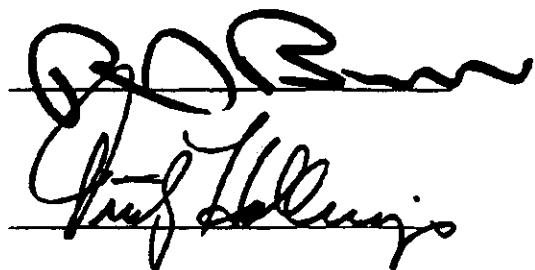
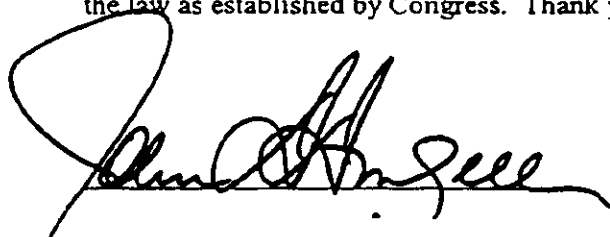
The Honorable Michael K. Powell
Page 2

Moreover, the time is not right for a change in the national ownership cap. In recent years the Commission has altered a number of rules affecting the broadcast industry, from the dual network rule to the duopoly rule to the financial interest and syndication rule. Because these rules are related and interact in their impact on local broadcasting, the Commission should take sufficient time to observe the effects of those recent changes and assess their impact on diversity and competition before considering any alteration to the national limit.

The national ownership cap is vital to ensuring that television programming decisions remain in the hands of local broadcasters, and that media power does not become concentrated in New York or Los Angeles. The national broadcast ownership cap is not, as some wrongly suggest, just about competition. Local input helps keep our broadcast system responsive to the views of local communities across the country. That diversity of viewpoint benefits our democracy. The national ownership cap also ensures that the delicate balance of power in the network-affiliate partnership is maintained. We think that recent controversy regarding the scope of the networks' power even under the current regulatory regime underscores the notion that retention of the 35% national television ownership cap remains essential to prevent potential abuses.

We urge the Commission to honor its statutory responsibility to facilitate a robust system of locally-based broadcasting not equaled anywhere in the world by maintaining and enforcing the law as established by Congress. Thank you for your time and attention to this matter.

Sincerely,



The Honorable Michael K. Powell
Page 3

Bryan L. Egan

Max Cleland

John Edwards

David Bonior

Jesse Helms

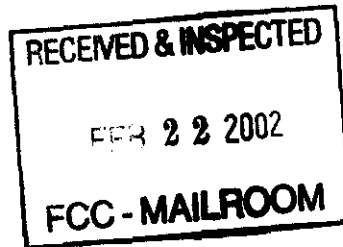
Barbara Boxer

cc: Commissioner Gloria Tristani
Commissioner Kathleen Abernathy
Commissioner Michael Copps



Federal Communications Commission
Washington, D.C. 20554

FEB 14 2002



CN0200325

Mr. C. Wayne Godsey
President & General Manager
KMBC-TV
1049 Central Street
Kansas City, Missouri 64105

Dear Mr. Godsey:

Thank you for your letter expressing your view that the Commission should retain the 35 percent national broadcast ownership cap.

Pursuant to Congressional command, Section 202(h) of the Telecommunications Act of 1996, requires the Commission to review all of its broadcast ownership rules:

The Commission shall review its rules adopted pursuant to this section and all of its ownership rules biennially as part of its regulatory reform review under section 11 of the Communications Act of 1934 and shall determine whether any of such rules are necessary in the public interest as the result of competition. The Commission shall repeal or modify any regulation it determines to be no longer in the public interest.

As a result of its 1998 biennial review of the broadcast rules, the Commission issued its first Biennial Ownership Report in June 2000. In its findings, the Commission upheld retention of some of the rules (the 35 percent ownership cap among them), while also committing to review others in light of the significant changes in the media marketplace.

The Commission intends to review the 35 percent ownership cap in the normal course of the mandated 2002 biennial review. However, it is important to note that several parties challenged the rule in court, and one party won a stay of Commission enforcement of the cap against it, pending review. The case is now before the D.C. Circuit, and oral argument was held on September 7, 2001. (*Fox Television v. FCC*, Case No. 00-1222 (D.C. Cir. filed May 31, 2000)). One issue raised by the parties is the constitutionality of the restriction. An adverse decision might affect the viability of the 35 percent limitation, regardless of whether it is imposed by regulation or statute. If the court reaches the constitutional issue, its decision could provide critical guidance as to how both Congress and the Commission should balance the government's interests with the constitutional rights of licensees. Given the possible

Page 2—Mr. C. Wayne Godsey

significance of the case, the Commission plans to wait for the Court's decision before considering any changes to the 35 percent cap.

I appreciate your interest in this matter, and hope this is responsive to your concerns.

Sincerely,



Roy J. Stewart
Chief, Mass Media Bureau